

CHAPTER 678

AN ACT

HB 3011

Relating to state financial administration; creating new provisions; amending ORS 3.012, 151.225, 173.420, 326.125, 327.001, 327.008 and 652.409 and sections 6 and 8, chapter 527, Oregon Laws 2019, and section 9, chapter 671, Oregon Laws 2019; repealing section 67, chapter 597, Oregon Laws 2021 (Enrolled Senate Bill 817), and section 5, chapter 289, Oregon Laws 2021 (Enrolled Senate Bill 5514); and declaring an emergency.

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

DEPARTMENT OF VETERANS' AFFAIRS

SECTION 1. Section 6, chapter 527, Oregon Laws 2019, is amended to read:

Sec. 6. (1) Sections 1 and 2 [of this 2019 Act], chapter 527, Oregon Laws 2019, are repealed on January 2, [2022] 2024.

(2) Any moneys remaining in the Veteran Educational Bridge Grant Program Fund established under section 2 [of this 2019 Act], chapter 527, Oregon Laws 2019, on [January 2, 2022] the date specified in subsection (1) of this section, after reversion of unspent lottery allocations to the Veterans' Service Fund established under ORS 406.140, shall be transferred to the Veterans' Educational Aid Account established under ORS 408.090.

SECTION 2. Section 8, chapter 527, Oregon Laws 2019, is amended to read:

Sec. 8. The amendments to ORS 408.090 by section 7 [of this 2019 Act], chapter 527, Oregon Laws 2019, become operative on [January 2, 2022] the date specified in section 6, chapter 527, Oregon Laws 2019.

LEGISLATIVE FISCAL OFFICE

SECTION 3. ORS 173.420 is amended to read: 173.420. (1) Pursuant to the policies and directions of the appointing authority, the Legislative Fiscal Officer shall:

(a) Ascertain facts and make recommendations to the Legislative Assembly concerning the Governor's budget.

(b) Ascertain facts concerning state expenditures and make estimates concerning state expenditures.

(c) Ascertain facts and make recommendations concerning the fiscal implications of the organization and functions of the state and its agencies.

(d) Ascertain facts and make recommendations on such other matters as may be provided for by joint or concurrent resolution.

(e) Furnish such assistance in the performance of their duties as is requested by the House Revenue

Committee, the Senate Revenue Committee, the Legislative Revenue Officer and other legislative standing and interim committees and members of the Legislative Assembly.

(2) Pursuant to the policies and directions of the appointing authority, the Legislative Fiscal Officer may enter into contracts to carry out the functions of the Legislative Fiscal Officer.

(3) The Legislative Fiscal Officer shall cause a study to be conducted prior to the beginning of each odd-numbered year regular session of the Legislative Assembly that reports the preceding two [calendar] years' administrative costs and the transfer rate of the Oregon State Lottery Commission, in order to determine if additional funds may be made available for public purposes.

OREGON BUSINESS DEVELOPMENT DEPARTMENT

SECTION 4. On June 30, 2021, the uncommitted balance of the allocation made to the Oregon Business Development Department from the Administrative Services Economic Development Fund by section 3 (4), chapter 670, Oregon Laws 2019, as amended by section 1, chapter 8, Oregon Laws 2020 (second special session), is transferred to the Tide Gate Grant and Loan Fund established under section 21, chapter 10, Oregon Laws 2020 (second special session).

NOTE: Sections 5 and 6 were deleted by amendment. Subsequent sections were not renumbered.

PUBLIC DEFENSE SERVICES COMMISSION

SECTION 7. ORS 151.225 is amended to read:

151.225. (1) The Public Defense Services Account is established in the State Treasury, separate and distinct from the General Fund. The Public Defense Services Account is continuously appropriated to the Public Defense Services Commission [to] for:

(a) [Reimburse the actual costs and expenses, including personnel expenses, incurred in] Administration and support of the public defense system;

(b) [Reimburse] Reimbursement of the State Court Administrator under ORS 151.216 (1)(i); and

[(c) Pay other expenses in connection with the legal representation of persons for which the commission is responsible by law, including expenses incurred in the administration of the public defense system.]

(c) Legal representation of parents and children involved in foster care for which matching funds under 45 C.F.R. 1356.60(c) may be used.

(2) [All moneys received by the Judicial Department under ORS 135.050 (8), 151.487 (1), 419A.211, 419B.198 (1), 419C.203 (1) or 419C.535 (2)] The following moneys shall be deposited in the Public Defense Services Account[.]:

(a) Moneys received by the commission from the State Court Administrator under ORS 151.216 (1)(i);

(b) Moneys received by the Judicial Department under ORS 135.050 (8), 151.487 (1), 419A.211, 419B.198 (1), 419C.203 (1) or 419C.535;

(c) Federal matching funds received under 45 C.F.R. 1356.60(c); and

(d) Miscellaneous revenues and receipts of the commission.

(3) All gifts, grants or contributions accepted by the commission under ORS 151.216 shall be deposited in a separate subaccount created in the Public Defense Services Account to be used by the commission for the purpose for which the gift, grant or contribution was given or granted.

SECTION 7a. If Senate Bill 817 becomes law, section 67, chapter 597, Oregon Laws 2021 (Enrolled Senate Bill 817) (amending ORS 151.225), is repealed and ORS 151.225, as amended by section 7 of this 2021 Act, is amended to read:

151.225. (1) The Public Defense Services Account is established in the State Treasury, separate and distinct from the General Fund. The Public Defense Services Account is continuously appropriated to the Public Defense Services Commission for:

(a) Administration and support of the public defense system;

(b) Reimbursement of the State Court Administrator under ORS 151.216 (1)(i); and

(c) Legal representation of parents and children involved in foster care for which matching funds under 45 C.F.R. 1356.60(c) may be used.

(2) The following moneys shall be deposited in the Public Defense Services Account:

(a) Moneys received by the commission from the State Court Administrator under ORS 151.216 (1)(i);

(b) Moneys received by the Judicial Department under ORS 135.050 (8), 151.487 (1), 419A.211[, or 419B.198 (1)[, 419C.203 (1) or 419C.535];

(c) Federal matching funds received under 45 C.F.R. 1356.60(c); and

(d) Miscellaneous revenues and receipts of the commission.

(3) All gifts, grants or contributions accepted by the commission under ORS 151.216 shall be deposited in a separate subaccount created in the Public Defense Services Account to be used by the commission for the purpose for which the gift, grant or contribution was given or granted.

SECTION 7b. If Senate Bill 817 becomes law, the amendments to ORS 151.225 by section 7a of this 2021 Act become operative on January 1, 2022.

JUDICIAL DEPARTMENT

SECTION 8. ORS 3.012 is amended to read:

3.012. (1) The judicial districts, the counties constituting the judicial districts and the number of

circuit court judges for each judicial district are as follows:

(a) The first judicial district consists of Jackson County and has 10 judges.

(b) The second judicial district consists of Lane County and has 15 judges.

(c) The third judicial district consists of Marion County and has 15 judges.

(d) The fourth judicial district consists of Multnomah County and has 38 judges.

(e) The fifth judicial district consists of Clackamas County and has 11 judges.

(f) The sixth judicial district consists of the counties of Morrow and Umatilla and has five judges.

(g) The seventh judicial district consists of the counties of Gilliam, Hood River, Sherman, Wasco and Wheeler and has four judges.

(h) The eighth judicial district consists of Baker County and has one judge.

(i) The ninth judicial district consists of Malheur County and has two judges.

(j) The tenth judicial district consists of the counties of Union and Wallowa and has two judges.

(k) The eleventh judicial district consists of Deschutes County and has ~~seven~~ **nine** judges.

(L) The twelfth judicial district consists of Polk County and has three judges.

(m) The thirteenth judicial district consists of Klamath County and has five judges.

(n) The fourteenth judicial district consists of Josephine County and has five judges.

(o) The fifteenth judicial district consists of the counties of Coos and Curry and has six judges.

(p) The sixteenth judicial district consists of Douglas County and has five judges.

(q) The seventeenth judicial district consists of Lincoln County and has three judges.

(r) The eighteenth judicial district consists of Clatsop County and has three judges.

(s) The nineteenth judicial district consists of Columbia County and has three judges.

(t) The twentieth judicial district consists of Washington County and has 15 judges.

(u) The twenty-first judicial district consists of Benton County and has three judges.

(v) The twenty-second judicial district consists of the counties of Crook and Jefferson and has three judges.

(w) The twenty-third judicial district consists of Linn County and has five judges.

(x) The twenty-fourth judicial district consists of the counties of Grant and Harney and has one judge.

(y) The twenty-fifth judicial district consists of Yamhill County and has four judges.

(z) The twenty-sixth judicial district consists of Lake County and has one judge.

(aa) The twenty-seventh judicial district consists of Tillamook County and has two judges.

(2) The Secretary of State shall designate position numbers equal to the number of judges in each of the judicial districts established by this section.

The positions shall reflect any qualifications established by ORS 3.041.

DEPARTMENT OF EDUCATION

SECTION 9. Section 5, chapter 289, Oregon Laws 2021 (Enrolled Senate Bill 5514), is repealed.

SECTION 10. ORS 326.125 is amended to read:

326.125. For the purpose of assisting school districts with capital costs, the Office of School Facilities is established within the Department of Education. The office shall be responsible for:

(1) Distributing hardship grants to school districts with facility needs. Grants awarded under this section may not exceed \$500,000 and shall be provided to school districts based on the order in which the Department of Education receives the completed applications for the grants. A school district may be eligible for a grant under this subsection if the school district meets requirements established by the State Board of Education by rule, including any requirements to provide matching funds.

(2) Providing technical assistance and establishing and maintaining standards for facilities assessments and long-range facilities plans for school districts.

(3) Administering a certification program for qualified providers of technical assistance for the purposes described in subsection (2) of this section.

(4) Providing grants to school districts for the cost of technical assistance for the purposes described in subsection (2) of this section. The State Board of Education may establish by rule requirements for a school district to receive a grant under this subsection. Grants for a school district under this subsection may not exceed:

(a) \$20,000 for a facilities assessment;

(b) \$25,000 for a long-range facilities plan;

(c) \$25,000 for an assessment of school district facilities for potential environmental hazards under ORS 332.331; and

(d) \$25,000 for a seismic assessment or other specialized assessment.

(5) Maintaining the Oregon School Facilities Database. The database must include information that:

(a) Assists with analyzing, planning and prioritizing school capital improvement needs for school districts by providing district-to-district and school-to-school comparisons; and

(b) Is required by the State Board of Education by rule.

(6) Administering the grant program described in ORS 286A.801.

(7) Administering a statewide facilities assessment program.

SECTION 11. ORS 327.008 is amended to read:

327.008. (1)(a) There is established a State School Fund in the General Fund.

(b) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the State School Fund. Moneys received as provided in this paragraph shall be deposited into the State School Fund.

(c) The State School Fund shall consist of moneys appropriated by the Legislative Assembly, moneys transferred from the Fund for Student Success, moneys transferred from the Education Stability Fund and the Oregon Marijuana Account and moneys received as provided in paragraph (b) of this subsection.

(d) The State School Fund is continuously appropriated to the Department of Education for the purposes of ORS 327.006 to 327.077, 327.095, 327.099, 327.101, 327.125, 327.137, 327.348, 336.575, 336.580, 336.635, 343.243, 343.533, 343.941 and 343.961.

(2) There shall be apportioned from the State School Fund to each school district a State School Fund grant, consisting of the positive amount equal to a general purpose grant and a facility grant and a transportation grant and a high cost disabilities grant minus local revenue, computed as provided in ORS 327.011 and 327.013.

(3) For the first school year after a public charter school ceases to operate because of dissolution or closure or because of termination or nonrenewal of a charter, there shall be apportioned from the State School Fund to each school district that had sponsored a public charter school that ceased to operate an amount equal to the school district's general purpose grant per extended ADMw multiplied by five percent of the ADM of the public charter school for the previous school year.

(4) There shall be apportioned from the State School Fund to each education service district a State School Fund grant as calculated under ORS 327.019.

(5) All figures used in the determination of the distribution of the State School Fund shall be estimates for the same year as the distribution occurs, unless otherwise specified.

(6) Numbers of students in average daily membership used in the distribution formula shall be the numbers as of June of the year of distribution.

(7) A school district may not use the portion of the State School Fund grant that is attributable to the facility grant for capital construction costs.

(8) The total amount of the State School Fund that is distributed as facility grants may not exceed [§7] \$3 million in any biennium. If the total amount to be distributed as facility grants exceeds this limitation, the Department of Education shall prorate the amount of funds available for facility grants among those school districts that qualified for a facility grant. If the total amount to be distributed as facility grants does not exceed this limitation, any remaining amounts shall be expended for expenses incurred by the Office of School Facilities as provided in ORS 326.125 (1).

(9) Each biennium, the Department of Education may expend from the State School Fund no more

than [§6] **\$10** million for expenses incurred by the Office of School Facilities under ORS 326.125 (2) to [(6)] (7).

(10) Each fiscal year, the Department of Education shall transfer to the Pediatric Nursing Facility Account established in ORS 327.022 the amount necessary to pay the costs of educational services provided to students admitted to pediatric nursing facilities as provided in ORS 343.941.

(11) Each fiscal year, the Department of Education shall transfer the amount of \$55 million from the State School Fund to the High Cost Disabilities Account established in ORS 327.348.

(12)(a) Each biennium, the Department of Education shall transfer \$39.5 million from the State School Fund to the Educator Advancement Fund established under ORS 342.953.

(b) For the purpose of making the transfer under this subsection:

(A) The total amount available for all distributions from the State School Fund shall be reduced by \$6 million;

(B) The amount distributed to school districts from the State School Fund under this section and ORS 327.013 shall be reduced by \$16.75 million; and

(C) The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by \$16.75 million.

(c) For each biennium, the amounts identified in this subsection shall be adjusted by the same percentage by which the instructions furnished to state agencies by the Governor under ORS 291.204 direct the state agencies to adjust their agency budget requests for special payments under ORS 291.216 (6)(a)(C).

(13) Each biennium, the Department of Education shall transfer \$12.5 million from the State School Fund to the Statewide English Language Learner Program Account established under ORS 327.344.

(14) Each fiscal year, the Department of Education may expend up to \$550,000 from the State School Fund for the contract described in ORS 329.488. The amount distributed to education service districts from the State School Fund under this section and ORS 327.019 shall be reduced by the amount expended by the department under this subsection.

(15) Each biennium, the Department of Education may expend up to \$350,000 from the State School Fund to provide administration of and support for the development of talented and gifted education under ORS 343.404.

(16) Each biennium, the Department of Education may expend up to \$150,000 from the State School Fund for the administration of a program to increase the number of speech-language pathologists and speech-language pathology assistants under ORS 348.394 to 348.406.

(17) Each biennium, the Department of Education shall transfer \$2 million from the State School Fund for deposit to the Healthy School Facilities

Fund established under ORS 332.337. Notwithstanding ORS 332.337, the department may expend moneys received in the Healthy School Facilities Fund under this subsection only as grants for costs associated with testing for elevated levels of lead in water used for drinking or food preparation.

SECTION 12. ORS 327.001, as amended by section 1, chapter 11, Oregon Laws 2020 (first special session), is amended to read:

327.001. (1) The Fund for Student Success is established in the State Treasury, separate and distinct from the General Fund.

(2) The Fund for Student Success shall consist of moneys appropriated by the Legislative Assembly, moneys transferred to the fund under ORS 317A.155 and moneys received as provided in subsection (3) of this section.

(3) The Department of Education, on behalf of the State of Oregon, may solicit and accept gifts, grants, donations and other moneys from public and private sources for the Fund for Student Success. Moneys received as provided in this subsection shall be deposited into the Fund for Student Success.

(4) Moneys in the Fund for Student Success are continuously appropriated to the department for:

(a) Transfer for each biennium to the State School Fund in the amount calculated by the Legislative Fiscal Officer and the Legislative Revenue Officer to be the sum of:

(A) At least \$40 million, for the purpose of a transfer under ORS 327.008 (11) to the High Cost Disabilities Account established in ORS 327.348; and

(B) The amount of change in General Fund revenue to be collected in the biennium due to the amendments to ORS 316.037 by section 56, chapter 122, Oregon Laws 2019, and the operation of ORS 317A.100 to 317A.158.

(b) Retention as a reserve for cash flow and revenue shortfall purposes.

[(b)] (c) Of the amount in the Fund for Student Success that is not dedicated for transfer as prescribed by paragraph (a) of this subsection **or retained under paragraph (b) of this subsection**, transfer to other education accounts as follows:

(A) At least 50 percent to the Student Investment Account established in ORS 327.175.

(B) Up to 30 percent to the Statewide Education Initiatives Account established in ORS 327.250.

(C) At least 20 percent to the Early Learning Account established in ORS 327.269.

(5) The department shall make the transfers prescribed by subsection (4) of this section on a periodic basis. The transfers must be in amounts that, based on the most recent data available to the department, ensure that the amounts and percentages identified in subsection (4) of this section are satisfied by the end of the biennium.

SECTION 13. In addition to the uses of the **Early Learning Account that are authorized by ORS 327.274, for the biennium ending June 30, 2021, the Department of Education and the**

Early Learning Division may expend moneys from the Early Learning Account for the purpose of funding the construction, renovation and equipping of early learning and child care facilities in a manner that is consistent with the statewide early learning system plan overseen by the Early Learning Council.

BUREAU OF LABOR AND INDUSTRIES

SECTION 14. ORS 652.409 is amended to read: 652.409. (1) The Wage Security Fund is established separate and distinct from the General Fund. After deduction of the amounts provided in ORS 657.439 (2)(a), all moneys received by the Employment Department pursuant to ORS 657.439 (2)(a) shall be paid into the State Treasury and credited to the Wage Security Fund. All income earned on moneys in the Wage Security Fund invested by the State Treasurer shall accrue to the fund.

(2) All income earned on moneys in the Wage Security Fund, and all other moneys in the fund, are appropriated continuously to the Commissioner of the Bureau of Labor and Industries primarily to carry out the provisions of ORS 652.414. Moneys in the fund may also be used, within the *[division]* **divisions** of the Bureau of Labor and Industries that *[enforces]* **enforce** wage and hour laws and state laws concerning civil rights, to investigate and enforce claims of underpaid and unpaid wages under this chapter and ORS chapter 653 and to investigate conduct that may constitute an unlawful practice under ORS chapter 659A.

DEPARTMENT OF JUSTICE

SECTION 15. On or before March 1 of each odd-numbered year, the Department of Justice shall submit a report to the chairpersons of the standing or interim Joint Committee on Ways and Means regarding materially significant or noteworthy litigation involving the state that is ongoing or that concluded in the biennium preceding the report. Notwithstanding ORS 192.311 to 192.478, the report described in this section is not a public record and is not subject to public inspection.

HOUSING AND COMMUNITY SERVICES

SECTION 16. Section 9, chapter 671, Oregon Laws 2019, is amended to read:

Sec. 9. (1) The Housing Acquisition Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Housing Acquisition Fund must be credited to the fund. The Housing Acquisition Fund consists of *[moneys deposited in the fund under section 8 of this 2019 Act and may include]* moneys appropriated, allocated, deposited or transferred to the fund by the

Legislative Assembly or otherwise and interest earned on moneys in the fund.

(2) Moneys in the fund are continuously appropriated to the Housing and Community Services Department *[for disbursement for the purposes set forth in section 8 of this 2019 Act]* to provide funding for loans to purchasers of land for affordable housing and naturally occurring affordable housing.

AMERICAN RESCUE PLAN ACT PROJECTS

SECTION 17. (1) A public body that is carrying out a qualified project shall require each contractor in a contract with an estimated cost of \$200,000 or greater to:

(a) Enter into a project labor agreement that, at a minimum, provides for payment of wages at or above the prevailing rate of wage;

(b) Employ apprentices to perform 15 percent of the work hours that workers in apprenticeable occupations perform under the contract, in a manner consistent with the apprentices' respective apprenticeship training programs;

(c) Establish and execute a plan for outreach, recruitment and retention of women, minority individuals and veterans to perform work under the contract, with the aspirational target of having at least 15 percent of total work hours performed by individuals in one or more of those groups; and

(d) Require any subcontractor engaged by the contractor to abide by the requirements set forth in paragraphs (a), (b) and (c) of this subsection, if the work to be performed under the subcontract has an estimated cost of \$200,000 or greater.

(2) The requirements of subsection (1) of this section do not apply to a contract for a qualified project if the public body carrying out the qualified project demonstrates to the Oregon Department of Administrative Services that:

(a) The qualified project is primarily located in a county that is characterized as nonmetropolitan by the United States Office of Management and Budget; and

(b) Compliance with the requirements would, with respect to the contract:

(A) Cause significant expense or delay; or

(B) Limit the pool of bidders to fewer than three.

(3) As used in this section:

(a) "Apprentice" has the meaning given that term in ORS 660.010.

(b) "Apprenticeable occupation" has the meaning given that term in ORS 660.010.

(c) "Apprenticeship training program" means the total system of apprenticeship that a particular local joint committee, as defined in ORS 660.010, operates, including the local joint committee's registered standards and all other terms and conditions for qualifying, recruiting,

selecting, employing and training apprentices in an apprenticeable occupation.

(d) "Minority individual" has the meaning given that term in ORS 200.005.

(e) "Prevailing rate of wage" has the meaning given that term in ORS 279C.800.

(f) "Public body" has the meaning given that term in ORS 174.109.

(g) "Qualified project" means a project:

(A) For capital improvements to water, sewer, broadband or transportation infrastructure;

(B) That has an estimated project cost of at least \$10 million; and

(C) That utilizes at least \$750,000 of moneys made available to the state under the American Rescue Plan Act of 2021 (P.L. 117-2).

(h) "Veteran" has the meaning given that term in ORS 408.225.

(i) "Woman" has the meaning given that term in ORS 200.005.

UNIT CAPTIONS

SECTION 18. The unit captions used in this 2021 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 2021 Act.

EMERGENCY CLAUSE

SECTION 19. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect on its passage.

Approved by the Governor August 6, 2021

Filed in the office of Secretary of State August 6, 2021

Effective date August 6, 2021