

Docket Item:

HECC Biennial Quality Growth Factor

Summary:

Setting the HECC Biennial Quality Growth Factor, a component of the Community College Support Fund (CCSF) distribution calculation, requires HECC action in advance of the beginning of the new biennium. Staff recommend that the Biennial Quality Growth Factor be set at 0.0 percent for the 2017-19 biennium.

Docket Material:

According to OAR 589-002-0120 6(c)(C)(ii):

(C) The state board has authority, on a biennial basis to, set the “quality growth factor” that may increase or decrease the number of FTE that will be counted for funding purposes above or below the Biennial Growth Management Component. The state board will consider the following principles as guidelines for setting the “quality growth factor”:

- (i) Balance the desire to support growth beyond that which is funded through the funding formula distribution model with the desire to enhance quality by increasing the level of funding provided on a per-student FTE basis.
- (ii) The TPR per FTE should not erode by more than 5% on an annual basis.
- (iii) Where current TPR per FTE is determined to be insufficient to support the “quality of education” desired, a growth factor could be established that would increase the TPR per FTE.
- (iv) If revenue is significantly reduced during a biennium, the Board may reduce the “quality growth factor.”

If HECC were to apply a negative Quality Growth Factor, the value of each FTE would increase, but the number of fundable FTE would go down. If the HECC were to apply a positive Quality Growth Factor, the value of each FTE would decrease, but the number of fundable FTE would go up, allowing community colleges growth to be state funded.

Due to predicted stability in enrollment and funding, the Oregon Presidents Council (OPC) has recommended a 0.00% Biennial Quality Growth Factor for the 2017-19 biennium.

Staff Recommendation:

Staff recommend that the HECC set the HECC Biennial Quality Growth Factor for 2017-19 at 0.0%.