

Docket Item:

Engineering Technology Sustaining Funds (ETSF) Overview

Summary:

In 2015, the HECC convened a workgroup to discuss how to allocate what had been the Engineering Technology and Industry Council's (ETIC) sustaining funds. The workgroup agreed on an allocation model that focused primarily on the historical funding that had been provided to institutions through this funding stream. Secondly, funding was based on each institution's proportion of resident students who graduated from targeted programs that were employed in Oregon one year post-graduation. The workgroup agreed that this revised allocation formula would be applicable for the 2015-17 biennium only and, should funds be provided in the future, a permanent allocation formula would be developed via a new workgroup process. The Commission provided input on this permanent ETSF allocation formula workgroup in November 2015. Staff has now formed such a workgroup with participation from most institutions.

Docket Material:

Staff has formed a new workgroup to develop a long-term allocation formula for ETSF. This workgroup consists of HECC university budget and finance staff and representatives from public universities. Staff anticipates finishing this work by the end of November 2017, at which time it will return to the Commission (December 2017 meeting) for reflection and input on the proposed funding model. A proposed rule will be promulgated in early 2018 in order to codify the long-term allocation formula. Staff anticipates that the commission will formally adopt this rule no later than its April 2018 meeting.

Based on prior work on ETIC and ETSF allocation models, staff anticipates that the funding model from this new workgroup will incorporate the following properties:

- o Rationalize funding allocations
- o Align investment of Sustaining Funds in order to reward tight coupling of university programs and graduates with labor force needs
- o Recognize and respect past processes, discussions, and efforts

When last before the commission in November 2015, the commission expressed the following views on the allocation of ETSF appropriations:

1. Historical funding should be phased out over time and the focus of funding should be on outcomes.
2. We should be as broad as possible in how we define success.
3. If possible, wage data should be included in the calculations.
4. The formula needs to consider how to keep institutions accountable while adjusting to changes in the economy/ and workforce needs.
5. A similar transition period to the SSCM is preferable.

While not limiting the range of items for consideration by the workgroup, staff anticipates the following questions will be fundamental to the group's work:

1. Should all fields/areas of study be weighted equally or varied based on workforce needs?
2. Should graduate and undergraduate degree recipients be weighted equally?
3. Should non-resident graduates be included if they stay and find jobs in Oregon?

Staff Recommendation:

No action needed, discussion only.