

Docket Item:

Summary of Temporary Administrative Rule 715-013-0062 relating to the distribution of legislatively appropriated Engineering Technology Sustaining Funds (ETSF).

Summary:

- | | |
|---|---|
| <input type="checkbox"/> New Rule | <input checked="" type="checkbox"/> Temporary |
| <input checked="" type="checkbox"/> Amend Existing Rule | <input type="checkbox"/> Permanent |
| <input type="checkbox"/> Repeal Rule | |

Prompted by:

- | |
|--|
| <input type="checkbox"/> State law changes |
| <input type="checkbox"/> Federal law changes |
| <input checked="" type="checkbox"/> Other |

The amendments to **715-013-0062** specify the distribution of legislatively appropriated engineering technology sustaining funds in fiscal year (FY) 2017-18. These distributions are consistent with those provided to institutions in the second and third quarters of fiscal year 2015-16, the first year of the biennium. Without this temporary rule, funds would likely not be distributed until FY 2018 fourth quarter, imperiling programs at public universities that rely on such funds. No funds have been distributed so far this fiscal year due to the lack of an administrative rule allowing the HECC to do so.

HECC staff will begin meeting and working with stakeholders to develop a new allocation formula for 2017-18, and subsequent years, and file permanent rules based on the workgroup findings, which will likely differ from the fund distribution outlined in the temporary amendment to 715-013-0062. The FY 2018 fourth quarter distribution (April) will incorporate, through a settle-up process, the difference between the temporary distribution schedule and the permanent workgroup allocation formula.

Specifically, the temporary OAR will distribute funds as follows:

Preliminary 2017-18 ETSF distributions under proposed temporary rule			
FY 2018 Distributions	Q2 - October 2017	Q3 - January 2018	Total
EOU	\$93,211	\$37,337	\$130,548
OIT	\$574,574	\$230,152	\$804,726
OSU	\$4,223,146	\$1,691,625	\$5,914,771
PSU	\$1,908,441	\$764,445	\$2,672,886
SOU	\$141,625	\$56,729	\$198,354
UO	\$64,710	\$25,920	\$90,630
WOU	\$180,092	\$72,137	\$252,229
Total	\$7,185,799	\$2,878,345	\$10,064,144

\$2,478,199 in ETIC funds will be available for distribution in April 2018 (Q4).

Docket Material:

Temporary Rule Text attached in Appendix A.

Staff Recommendation:

Staff recommends approval of the temporary administrative rule amendment to 715-013-0062 relating to engineering technology sustaining funds distribution, as presented in the docket material.

Appendix A:

Temporary Rule Text

715-013-0062

Engineering Technology Sustaining Funds

(1) Definitions

~~(a) "Engineering and Technology Industry Council" or "ETIC" was the body established by ORS 351.663 and abolished by Section 5, Chapter 682 Oregon Laws 2015, for the purposes of improving engineering education in the state of Oregon.~~

~~(b)(a) The "Higher Education Coordinating Commission" or "HECC" is the body established by ORS 351.715350.075 and appointed by the Governor.~~

~~(c) "Historical Funding" is funding based upon a university's historical allocation of ETIC Sustaining Funds in fiscal year 2015 as approved by the Oregon Education Investment Board (OEIB).~~

~~(d) "Oregon Education Investment Board (OEIB)" was the body established by section 1, chapter 519, Oregon Laws 2011 and appointed by the Governor.~~

~~(e) "Oregon Health and Science University (OHSU)" is an independent public corporation established by ORS 353.020.~~

~~(f) "Oregon Students, Oregon Jobs Model" is defined as the model that had been developed by ETIC and submitted to the HECC to award funds based on placement of Oregon resident graduates in Oregon jobs.~~

~~(g)(b) A "Public University" is any institution as defined in ORS 352.002, including; Eastern Oregon University (EOU), Oregon Institute of Technology (OIT), Oregon State University (OSU), Portland State University (PSU), Southern Oregon University (SOU), University of Oregon (UO) and Western Oregon University (WOU).~~

~~(h) "Sustaining Funds" are funds designated by the Legislature as legacy ETIC Sustaining Funds.~~

~~(2) This rule allocates Sustaining Funds to Public Universities and OHSU for the 2015-17 biennium. The funds distributed through this rule are those defined in the SB 5525 (2017) budget report as "Engineering Technology Sustaining Funds," which is listed in the Public University State Programs section of the budget report.~~

~~(3) Allocations in the first year of any biennium shall be 49% of total appropriated for the biennium. The remainder shall be allocated in the second year of the biennium. The rule distributes Engineering Technology Sustaining Funds to Public Universities for part of fiscal year (FY) 2018.~~

~~(4) Sustaining Funds are to be spent in support of engineering and technology related programs in support of Oregon industry. This rule is intended only to provide temporary distribution authority until a permanent allocation and distribution rule is established and may not be relied~~

upon, in part or in full, when attempting to predict final distributions of engineering technology sustaining funds to specific public universities.

~~(5) Allocations shall be made by the HECC to Public Universities and OHSU for the fiscal year beginning on July 1, 2015 as follows; Distributions shall be made by the HECC to Public Universities as follows;~~

~~(a) 80% of available funds shall be allocated on the basis of Historical Funding. Of these funds, the allocations shall be as follows; For the quarter beginning October 1, 2017, distributions shall be as follows;~~

~~(A) Eastern Oregon University shall receive \$144,601\$93,211.~~

~~(B) Oregon Health Sciences University shall receive no historical funding.~~

~~(C)(B) Oregon Institute of Technology shall receive \$444,592\$574,574.~~

~~(D)(C) Oregon State University shall \$6,179,323\$4,223,146.~~

~~(E)(D) Portland State University shall receive \$2,410,166\$1,908,441.~~

~~(F)(E) Southern Oregon University shall receive \$168,447\$141,625.~~

~~(G)(F) The University of Oregon shall receive no historical funding\$64,710.~~

~~(H)(G) Western Oregon University shall receive \$237,770\$180,092.~~

~~(b) 20% of available funds shall be allocated in the proportions indicated by the Oregon Students, Oregon Jobs Model. Of these funds, the allocations shall be as follows; For the quarter beginning January 1, 2018, distributions shall be as follows;~~

~~(A) Eastern Oregon University shall receive \$10,814\$37,337.~~

~~(B) Oregon Health Sciences University shall receive no funds.~~

~~(C)(B) Oregon Institute of Technology shall receive \$513,415\$230,152.~~

~~(D)(C) Oregon State University shall receive \$862,072\$1,691,625.~~

~~(E)(D) Portland State University shall receive \$771,841\$764,445.~~

~~(F)(E) Southern Oregon University shall receive \$67,688\$56,729.~~

~~(G)(F) The University of Oregon shall receive \$107,892\$25,920.~~

~~(H)~~(G) Western Oregon University shall receive ~~\$62,503~~\$72,137.

(c) For the quarter beginning April 1, 2018, distributions may be determined and adjusted by means of a settle-up procedure in order to adjust for the new allocation formula to be adopted by rule for distribution of Engineering Technology Sustaining Funds. This settle-up may result in either an increase or decrease in engineering technology sustaining funds distributed to a particular public university for the 2017-18 fiscal year.

~~(6) Allocations shall be made by the HECC to public universities and OHSU for the fiscal year beginning July 1, 2016 as follows; This rule shall expire upon the promulgation of an alternative rule or on April 12, 2018, whichever is sooner.~~

~~(a) Funding to each public university shall continue in amounts equal to those in section 5.~~

~~(b) The additional funds available shall be allocated to institutions which have not reached funding indicated in the Oregon Student, Oregon Jobs Model. Of these funds, the allocations shall be as follows:~~

~~(A) Eastern Oregon University shall receive no funds.~~

~~(B) Oregon Health Sciences University shall receive no funds.~~

~~(C) Oregon Institute of Technology shall receive \$287,431.~~

~~(D) Oregon State University shall receive no funds.~~

~~(E) Portland State University shall receive \$105,785.~~

~~(F) Southern Oregon University shall receive \$17,318.~~

~~(G) The University of Oregon shall receive \$77,906.~~

~~(H) Western Oregon University shall receive \$586.~~

~~(7) The continued allocation of Historical Funding is contingent upon institutions maintaining performance consistent with past efforts.~~

~~(8) The HECC will give deference to any legislative designation of specific resources or policy decisions when making determinations on allocation of funds.~~

Stat. Auth.: ORS ~~351.735(5)~~350,057(6)

Stats. Implemented: ~~ORS 351.735(3)(iii)(f), 2015 OL Ch 682~~Chapter 595 Oregon Laws 2017