

## 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.~~

(a) “Baccalaureate Degree” or “Bachelor’s Degree” is a degree that generally represents four years of college study, or its equivalent in depth and quality of learning experience, or as promulgated by the Northwest Commission on Colleges and Universities.

(b) “Base Funding” is funding to each public university that is allocated prior to any allocations through the outcome categories.

(c) “Classification of Instructional Programs” or “CIP” code is a numerical identifier assigned by the National Center for Education Statistics to an academic discipline to support tracking and reporting data at the field-of-study level.

(d) “Data Validation” is the process by which the HECC’s Office of Research and Data examines public university-submitted data to determine its accuracy and validity.

(e) “Doctoral Degree” or “Ph.D.” is a degree that generally indicates the recipient has done, and is prepared to do, original research in a major discipline. Doctoral degrees usually require three years or more of graduate-level coursework and an original research thesis or project, or as promulgated by the Northwest Commission on Colleges and Universities.

(f) “Employment” is defined as a graduate from a qualified degree program who is employed in Oregon at the relevant time as indicated in data obtained by the HECC and consistent with section (7aC) of this rule.

(g) “Engineering Technology Sustaining Funds” are those funds designated by the Oregon Legislature as such and indicated in the HECC budget for distribution to Oregon public universities.

~~(b)~~ (h) “Higher Education Coordinating Commission” or “HECC” is the body established by ORS ~~351.715~~ 350.050 and appointed by the Governor.

(i) “Master’s Degree” is a degree that generally represents a first graduate degree, including one year or more of post-baccalaureate study, or its equivalent in depth and quality. Professional masters degrees generally require up to two years or equivalent of coursework beyond the baccalaureate level, or as promulgated by the Northwest Commission on Colleges and Universities.

(j) “Nonresident” student is any student not classified as a resident by a public university or otherwise considered a “Resident” under Section 1(o) of this rule.

(k) "Outcome Category" is one of three categories between which all funding outside of base funding is allocated.

(l) "Professional degree" is a degree that emphasizes application of knowledge in the field, including three or more years of carefully prescribed graduate level coursework, or as promulgated by the Northwest Commission on Colleges and Universities.

~~(g)~~ (m) "Public university" or "University" is any public university as defined in ORS 352.002.

(n) "Qualified degree program" is a program in one of the CIP codes included in any of the three outcome categories.

(o) "Resident" student is a student classified as such by a public university's Residency Classification Officer, reviewed by the Inter-institutional Residency Committee, or students granted resident tuition under ORS 352.287.

(p) "SCARF" is the Student Centralized Administrative Reporting File and is comprised of student and course information for each Oregon public university. The SCARF system is maintained by the HECC's Office of Research and Data.

(q) "True-Up" is the process by which allocations created using estimated data are reconciled with finalized allocations created using actual data.

(r) "Wages" are the wages of all relevant employed persons in Oregon consistent with this rule as included in data obtained by the HECC.

~~(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.~~

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

(2) This rule allocates Engineering Technology Sustaining Funds to public universities. ~~and OHSU for the 2015-17 biennium.~~

(a) Projections may be used for first quarter distributions. If projections are used, a True-up process, as described in section (12) of this rule, will be utilized to adjust future distributions to match final data.

(b) The HECC shall have the discretion to round any calculation, whether final or intermediate, to a whole dollar, either up or down, in order to match distributions with available funds.

(3) For each fiscal year, each public university shall be allocated \$130,000 in base funding. If there is less than \$130,000 in funding per public university in any given fiscal year, the available funding shall be equally divided among all public universities. This maximum annual base funding of \$130,000 per university shall not increase and shall be outside of any other calculation defined within this rule.

(4) For the allocation of all funding other than base funding, Engineering Technology Sustaining Funds shall be split between three outcome categories, defined in the following sections, as follows:

(a) 33% to Outcome Category 1-Degrees for Oregon Residents.

(b) 34% to Outcome Category 2-Research Development.

(c) 33% to Outcome Category 3-Employment and Wages of Graduates in Targeted Programs.

(5)(a) Outcome Category 1-Degrees for Oregon Residents shall be allocated on a proportional basis for the three most recently completed fiscal years, or projections thereof, of degrees, including bachelors, masters, professional and PhD degrees conferred by public universities to resident students in the following CIP codes: 11, 14, 15, and 30.08.

(b) In addition, master's degrees in the following CIP codes shall be included in this calculation for the University of Oregon only: 26, 40.05, 40.08, and 40.10.

(c) Graduate certificates are not included in the calculation made under this section.

(d) No degrees in CIP codes other than those listed above are to be included in the calculation made under this section.

(e) All degrees within this outcome category shall be weighted equally.

(f) A degree awarded in multiple covered CIP codes to a single student shall only be counted once within this category.

(g) The combined proportional number of degrees within the covered CIPs shall determine a university's allocation within this Outcome Category.

(6) Outcome Category 2-Research Development shall be allocated on the basis of the three most recently completed fiscal years, or projections thereof, of the following elements:

(a) 60% shall be based on doctoral degrees earned by both residents and non-residents in the following CIP codes: 11, 14, 15, and 30.08.

(b) 40% shall be based on research expenses as identified by the public universities that support programs in the CIP codes included in Outcome Category 1 and Outcome Category 2.

(A) Public universities may not count research expenses for programs for which they do not receive funding in the CIP codes under Outcome Category 1 and Outcome Category 2.

(B) Public universities shall submit research expenses annually to the HECC. Such submissions shall be in a form, time, place and manner designated by the HECC.

(7) Outcome Category 3-Employment and Wages of Graduates in Targeted Programs shall be allocated as follows:

(a) 50% shall be based on the employment of graduates in Oregon in the three most recent trailing years, both residents and non-residents, as measured as follows:

(A) In the following CIP codes, all recipients of bachelors, masters, professional and PhD degrees but excluding graduate certificates conferred by public universities shall be included: 11, 14, 15, and 30.08.

(B) In addition, masters degree recipients for the University of Oregon in CIP codes 26, 40.05, 40.08 and 40.10 shall be included.

(C) A graduate shall be considered employed if they are employed in Oregon, as per data obtained by the HECC, as follows:

(i) If graduated four years ago, employed three years after graduation.

(ii) If graduated three years ago, employed two years after graduation.

(iii) If graduated two years ago, employed one year after graduation.

(D) The number of employed graduates meeting such criteria at each public university shall be averaged across this three-year span for purposes of the calculation required under this rule.

(b) 50% shall be based on the average wage of all employed graduates at each public university included in the calculation made under section (7)(a) of this rule.

(A) Wages used will be unadjusted actual wages according to the available data.

(B) If an employed graduate is listed as having no wages, that graduate shall be recorded as having \$0 in wages and included in the average wage calculation under this rule.

(8) Data validation shall be conducted by the HECC and the HECC shall have the final right of determining the validity of data included in the model.

(9) CIP Codes and other factors within the model will be examined by the HECC as it determines appropriate. Such reviews shall occur no later than the first year of every third biennium, with the first such review beginning no later than December 2023. Any such reviews shall involve consultation with relevant stakeholders as determined by the HECC. The guidelines that shall be followed for such reviews are set out below. Any changes recommended by any workgroup formed to conduct such a review are advisory and shall not take effect unless the Commission adopts an amended rule codifying the changes.

(a) The following CIP codes shall be included unless specifically removed as a result of such reviews: 11, 14, 15, and 30.08.

(b) Any other CIPs not listed in section (9)(a) and included in this model shall be included if upon consensus of any workgroup formed to conduct such reviews.

(c) Additional CIPs may be suggested for inclusion at such reviews but shall only be included upon consensus of any workgroup formed to conduct such reviews.

(d) The balancing and design of the different outcome categories shall remain at current levels absent upon consensus of any workgroup formed to conduct such reviews.

(e) Base funding levels shall not change except upon consensus of any workgroup formed to conduct such reviews.

(10) Distributions are made quarterly with timing and amounts determined by agreement between the HECC and the Department of Administrative Services. Distributions may be withheld if data in one or more outcome categories is not available at the time of the distribution. However, in such a case, the next distribution shall include any amounts allocated to a university in both the current distribution as well as any withheld distribution.

(11) The cumulative results of the three outcome categories as well as the base funding shall comprise the allocation to a public university for that fiscal year.

(12) When projections are used to determine a public university's allocation, a True-Up procedure shall be used to prorate future payments to match final allocations. The True-Up procedure may alter the funding allocation of a public university from that which was originally allocated by the HECC. A True-Up procedure, if used, will be executed in the second quarter, or as soon as practicable in every fiscal year and shall coincide with the similar procedure conducted under OAR 715-013-0025.

(a) A public university may submit new or updated data for any past years but it will not affect allocations unless it is submitted and validated prior to the True-Up process being completed for a particular fiscal year. Such additional submissions shall take place within the normal data update framework established by the HECC.

(b) HECC staff shall validate the accuracy of all data before incorporating it into the model or into any ensuing calculations. Validation of data shall take place via an approach developed at the discretion of HECC staff. This includes initial data submissions as well as supplemental data submissions that do not impact allocations to any public university in a particular fiscal year.

(c) Once True-Up procedures for a particular fiscal year have been completed, that year's allocations shall be considered as final. Any errors in data or calculation will not be corrected or otherwise incorporated into the allocation calculations of future fiscal years. ~~(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.~~

~~(4) Sustaining Funds are to be spent in support of engineering and technology related programs in support of Oregon industry.~~

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

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

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

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

~~(D) Oregon State University shall \$6,179,323.~~

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

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

~~(G) The University of Oregon shall receive no historical funding.~~

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

~~(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;~~

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

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

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

~~(D) Oregon State University shall receive \$862,072.~~

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

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

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

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

~~(6) Allocations shall be made by the HECC to public universities and OHSU for the fiscal year beginning July 1, 2016 as follows;~~

~~(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 public university s 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 public university s 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.~~

**Statutory/Other Authority:** ~~ORS 351.735(5)~~ ORS 350.075(7), 350.075(3)(f)

**Statutes/Other Implemented:** ~~ORS 351.735(3)(iii)(f) & 2015 OL Ch 682~~ ORS 350.075(3)(f)