

Docket Item:

Community College Support Fund, Strategic Fund Set-Aside

Summary:

This docket item will set the percentage of the Community College Support Fund (CCSF) that will be set aside for the Strategic Fund. This requires HECC action in advance of the beginning of the new biennium. Staff recommend that the Strategic Fund be set at 0.75 percent of CCSF for the 2019-21 biennium.

Docket Material:

The Strategic Fund is created each biennium by setting aside a percentage of the Community College Support Fund (CCSF) prior to allocating funds through the distribution formula. The Strategic Fund is one of four Categorical Funding streams (the other three are Department of Corrections, contracts out of district, and distance learning) that are taken out of the CCSF before distributing the remainder through base funding and the distribution formula. As described in Oregon Administrative Rule (OAR) 589-002-0130, the Strategic Fund has two main purposes: 1) incentivizing statewide initiatives activities, or 2) assisting community colleges in meeting new requirements and expectations stemming from legislative change. Any unused monies remaining the current biennium’s strategic fund are allocated through the distribution formula at the end of the biennium.

As a portion of the CCSF, all Strategic Fund investments must go to Oregon community colleges. The Strategic Fund was established in the 2005-07 biennium with a 0.25 percent allocation from the Community College Support Fund. Between 2005-07 and 2013-15, the percentage of the CCSF devoted to the Strategic Fund grew from 0.25 to 0.75 percent. In 2015-17, it was increased to 1.5 percent, with significant investments planned for Career Pathways, data quality, and to assist community colleges in transitioning to outcomes based funding (although that policy change did not take place) and in 2017-19 it was decreased to 0.75 percent, with a focus on career pathways investments. The Oregon Presidents Council has recommend maintaining funding at 0.75 percent of CCSF for 2019-21. Areas that have been identified for potential support include career pathways, expanded access for community college students to federal benefits, labor market information systems, and data collection and reporting.

The total amount available in the Strategic Fund will depend on the amount of the CCSF funded in the Legislatively Approved Budget (LAB). A few possible scenarios are identified in the table below:

2019-21 Strategic Funds Projections		
CCSF Scenarios		Strategic Fund Scenarios
Source	Amount	0.75%
GRB	\$546,800,000	\$4,101,000
CSL	\$594,780,000	\$4,460,850
OCCA	\$646,700,000	\$4,850,250

Staff Recommendation:

Staff recommend that the HECC set the funding level for the 2019-21 Strategic Fund at 0.75 percent of the Community College Support Fund.